

Q&A's for the Implementation of SB 415

- 1) *What revenue code do we use for the State-funded reduced-price breakfast?*
 - *The revenue code that is to be used to record the State reimbursement is:
5-4341 State Reimbursement-Reduced-Price Breakfast*
- 2) *How do we submit the claim for reimbursement?*
 - ***The SFA will continue to file the claim for reimbursement in the same manner as usual. The CN Technology System will be updated to automatically calculate the amount to be reimbursed based on the number of meals recorded in the Reduced-Price Category for Regular and Severe Need .***
- 3) *Will we be able to submit a claim for reimbursement for meals served to students attending a year-round program that started in July?*
 - ***Yes, the law became effective July 1, 2011. The SFA will be reimbursed for reduced-price breakfast meals served once the modifications are made in the CN Technology System. The Child Nutrition Services Section is working diligently with the software developer to implement these changes as quickly as possible. We anticipate all modifications will be made by late September.***
- 4) *What do we need to do for students that have already paid for reduced- price breakfasts?*
 - ***The SFA will need to make account adjustments for the \$0.30 per meal that was collected from the student. A credit should be given to the student's account which may be used for payment of lunch or***

additional a-la-carte items. Parents should be informed of the amount of funds that will be credited to the student's account and applied towards lunch meals.

5) *We have already closed out participation for the month of July. How do we record the amount of State funds that will be reimbursed to the SFA's Child Nutrition program?*

- ***The SFA will need to make an adjusting journal entry (AJE) to record the revenue that will be provided. The journal entry should be:***

***a debit to 5-1100 USDA Receivables, and
a credit to 5-4341 State Reimbursement-Reduced-Price Breakfast.***

- ***Once the funds are deposited into the Non-Profit Child Nutrition account, an adjusting journal entry should be made to post the deposit :***

Debit Cash 5-1010 or 5-1020 (depending upon the current account being used) and

Clear the receivable account (Credit 5-1100).

6) *Will there be a special line on the monthly claim to record the number of reduced-price breakfast meals served?*

- ***No, the CN Technology System will be modified to add the number of breakfast meals served to all students that qualify for reduced-price meals (Regular and Severe Need), multiply that number by the \$0.30 and disperse the funds along with the Federal reimbursement.***
- ***There will be no additional steps required for claim submission.***

- 7) *Will the State Agency be promoting this initiative statewide, or is that to be done locally?*
- ***The State Agency will notify Superintendents and Finance Officers. A state-wide communication will also be provided to Principals. Each SFA will be responsible for promoting the Reduced-Price Breakfast program within the SFA and the community at-large. The individual SFAs will be able to provide the most accurate information on the process that will be taken within the SFA once the full allocation has been dispersed.***
- 8) *Do we have to implement the program on August 25th?*
- ***Yes, SB 415 (Session Law 210-342) eliminates the cost of reduced-price breakfast to all eligible students in grades Pre-K-12 effective July 1, 2011.***
- 9) *Do we have the option to wait until students return from winter break to implement the program?*
- ***The law became effective July 1, 2001. The SFA should implement the program as close to the beginning of school as possible. Should the SFA determine their allocation is insufficient to continue the program throughout the year, it is recommended that discussions be held with SFA officials and the local board of education to determine which options are available to extend the program, should the SFA choose to do so.***
- 10) *Does this new law mean that only students who are classified as “paid” will be charged for a reimbursable breakfast?*
- ***Yes. The SFA would only collect the cost of a breakfast from a student that does not qualify for reduced-price or free meals. The funds that were collected from students in the prior years will now be reimbursed through State funds. It is imperative to remember***

that once the full allocation has been reimbursed to the SFA, no further State funding will be available.

11) *If the Superintendent and the Local Board of Education determine they will use a portion or all of the required \$45,000 State Revenue Match in order to continue the program, will those funds be directly deposited into the Child Nutrition program account?*

- *Yes. Should the decision be made to use all or a portion of the State Revenue Match requirement, a transfer is to be made from State Funds using the Inter-fund Transfers to Child Nutrition code 8400 – 715.***

12) *How does SB 415 affect SFAs that offer a Universal Free Breakfast Program?*

- *All SFAs will be reimbursed for the number of reduced-price breakfast meals served and claimed for reimbursement up to the full allocation amount. This reimbursement will be made to SFAs that offer a universal free program.***

13) *How will we be required to notify parents?*

- *The SFA should use the best method available to notify parents, which may vary from one SFA to another. The notification could be a flyer that is sent home with students, utilizing the SFA's automatic calling system, or posting the information in a prominent area on the SFA's website, etc. It will be extremely important to know what option will be used by the SFA once the allocation is fully reimbursed. For example, if the decision is made to discontinue the program after all funds are reimbursed, a parent would need to be made aware that of the exact date in which the breakfast will no longer be free and would require the \$0.30 payment from each student. If the SFA chooses not to extend the program by one of the options described in the Implementation***

Plan (August 8, 2011), it will be very important to notify parents as early as possible of their responsibility to pay for student meals in order to prevent excessive meal charges.

- 14) *How will the Allotment Policy Manual be updated to allow the SFA to utilize a portion of the required State Revenue Match?*

The Allotment Policy Manual for 2011 – 2012 will read as follows:

- ***Federal law requires a match for Child Nutrition Supervisors. A State expenditure in excess of \$7 million is necessary for North Carolina to be eligible for Section 4 federal funds. Beginning with the FY 2011-12, each LEA shall expend at least \$45,000, out of Central Office Administration, PRC 002 allocation or any other State funded PRC which allows coding to purpose code 7200 for child nutrition expenses.***

The following purpose object combinations are in PRC 002 for meeting this mandate:

- ***Child Nutrition Director and/or Supervisor 7200 - 113,***
- ***Manager 7200 - 176, and***
- ***The matching benefit codes 7200 - 211, 7200 - 221, 7200 - 231, or***
- ***Utilize the Inter-fund Transfers to Child Nutrition code 8400 – 715; funds transferred for this purpose may be used to pay the cost of reduced-price breakfast meals (\$.30 per meal) for eligible students should the state allocation for reduced-price breakfast meals be insufficient to do so.***

- 15) *If the local decision is made to use a portion of the required State Revenue Match to continue the program and my salary is being paid from the existing match, what happens to my salary?*
- ***Should the SFA decide to use a portion of the required State Revenue Match for the Reduced-Price breakfast program, the salary that had been coded to state funds in the past, would be coded to the Child Nutrition Program using 5-7200-035-113. The additional Federal funds received as a result of serving and claiming more reduced-price breakfast meals will increase Child Nutrition revenues, thus providing the additional funds to support the salary by the original \$45,000.***